

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

HB 1327 - SB 1423

March 29, 2017

SUMMARY OF BILL: Requires the Bureau of TennCare (Bureau), in collaboration with the Division of Benefits Administration of the Department of Finance and Administration, to annually identify up to 15 prescription drugs on which the state spends significant healthcare dollars and for which the wholesale acquisition cost has increased by 50 percent or more over the past five years or by 15 percent or more over the past twelve months, creating a substantial public interest in understanding the development of the drugs' pricing and to provide the list to the Commissioner of Department of Health (DOH) and the percentage of the wholesale acquisition cost increase for each drug and to make the information available to the public on the Bureau's website. Requires the Commissioner of DOH to require the drug's manufacturer to provide a justification for the increase in the wholesale acquisition cost of the drug in a format that the Commissioner of the DOH determines to be understandable and appropriate.

Requires the Commissioner of the DOH to provide a report to the General Assembly on or before December 1 of each year based on the information received from manufacturers pursuant to this section and to post the report on the DOH's website.

Authorizes the Attorney General and Reporter to bring an action in the Circuit or Chancery Court of Davidson County for injunctive relief, costs, and attorney's fees, and to impose on a manufacturer that fails to provide the required information a civil penalty of no more than ten thousand dollars (\$10,000) per violation.

Requires the Commissioner of the Department of Commerce and Insurance, on or before January 1, 2018, to promulgate rules to require all health insurers that offer health insurance coverage on the individual market to provide information to enrollees, potential enrollees, and healthcare providers about the prescription drug formularies for the health insurance coverage.

ESTIMATED FISCAL IMPACT:

NOT SIGNIFICANT

Assumptions:

- Based on information provided by the Bureau, the proposed legislation can be accommodated within existing resources without an increased appropriation or reduced reversion.

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- The Division of Benefits Administration of the Department of Finance and Administration can accommodate the proposed legislation within existing resources without an increased appropriation or reduced reversion.
- Based on information provided by the DOH, the Commissioner can provide the required report utilizing existing resources without an increased appropriation or reduced reversion.
- Based on information provided by the Department of Commerce and Insurance (DCI), the DCI can accommodate the proposed legislation within existing resources without an increased appropriation or reduced reversion. .

IMPACT TO COMMERCE:

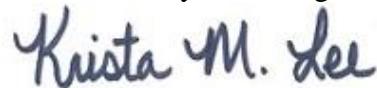
NOT SIGNIFICANT

Assumption:

- Requiring the drug's manufacturer to provide a justification for the increase in the wholesale acquisition cost of the drug in a format that the Commissioner of the DOH determines to be understandable and appropriate will not have a significant impact on commerce or jobs in Tennessee.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.



Krista M. Lee, Executive Director

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